

Message Text

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PAGE 01 LA PAZ 07508 142035Z

61

ACTION OPIC-12

INFO OCT-01 ARA-16 ISO-00 EB-11 AID-20 /060 W

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R 141433Z DEC 73

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC 1739

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PASS TO OPIC

E.O. 11652: N/A

TAGS: EFIN BL

SUBJ: IMPC/EMBOSA.

REFS: (A) STATE 239055; (B) LA PAZ A-245.

1. EMBASSY REQUESTS DISCRETION IN CONVERSATIONS WITH FRANK TYE ON THE CONTENTS OF CLASSIFIED TELEGRAMS AS IN CASE REF B. EMBOFF CONCERNED THAT THERE HAS BEEN LEAKAGE OF INFORMATION TO TYE. FOR EXAMPLE, TYE BECAME VERY ANGRY WITH EMBOFF IN REGARDS TO STATEMENT BY MINMINES TO AMBASSADOR THAT TYE SAID PRESIDENT BANZER WAS TYE'S PARTNER. TYE DEMANDED TO KNOW WHY EMBOFF HAD NOT CALLED MINISTER "GODDAMN LIAR". EMBASSY WOULD PREFER DISPASSIONATE ATTITUDE AND WOULD CERTAINLY APPRECIATE WASHINGTON AGENCIES' COOPERATION IN DEALING WITH TYE IN THIS CASE.

2. IN CONVERSATION ON DECEMBER 11 WITH ONE OF EMBOSA'S DIRECTORS, GASTON JAUREGUI, ALSO ASSISTANT FINANCIAL MANAGER OF COMIBOL, EMBOFFS WERE TOLD COMIBOL HAD SEPENT ABOUT US\$ 800,000 FOR THE TEMPORARY OPERATION OF THE PLANT BECAUSE IMPC HAD NOT CONTRIBUTED ITS SHARE. JAUREGUI ALSO STATED IMPC HAD BEEN FULLY REIMBURSED FOR INVESTMENT IN PLANT AND NO PAYMENT WILL BE MADE FOR 45 PERCENT OF SHARES BECAUSE (1) ALL NET ASSETS BELONG TO COMIBOL INCLUDING PATENT FOR REAGENT, AND (2) ALL IMPC REQUIRED TO CONTRIBUTE WAS

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PAGE 02 LA PAZ 07508 142035Z

MANAGEMENT AND TECHNICAL KNOW HOW.

3. EMBOFFS QUESTIONED THIS POSITION ON GROUNDS IMPC HOLDS SHARES IN CORPORATION WHICH USUALLY WOULD MEAN THEY WOULD HOLD SOME VALUE UNLESS FIRM COMPLETELY BANKRUPT AND HAD LESS THAN ZERO ASSETS. JAUREGUI RESPONDED ANY VALUE ASCRIBED TO IMPC SHARES WOULD BE OFFSET, OR MORE THAN OFFSET, BY IMPC'S FAILURE TO SHOULDER ITS PORTION OF OPERATING AND FIXED COSTS.

4. JAUREGUI FINALLY ADDED TYE HAD SOME AMERICANS ALONG WHEN HE RECENTLY WENT TO CATAVI PLANT AND HUARI-HUARI MINE BUT DID NOT KNOW WHO THEY WERE OR WHAT COMPANY THEY REPRESENTED.

5. COMMENT: TYE HAS NOT BROUGHT NEW JERSEY ZINC COMPANY REPRESENTATIVES TO EMBASSY. EMBASSY UNDERSTANDS NEW JERSEY ZINC TO BE SUBSIDIARY OF GULF AND WESTERN INDUSTRIES. STEDMAN

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